WAIPA NETWORKS TRUST

FINANCIAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 March 2026

INDEX

DIRECTORY

ADDRESS:	Waipa Networks Trust P O Box 34 Te Awamutu	
TRUSTEES:	Mrs S Matthews	(Chairperson)
	Mr D McLean	(Deputy Chairman)
	Mr R Milner	(Trustee)
	Mr M Gower	(Trustee)
	Mr P Coles	(Trustee)
	Mr J Godfrey	(Trustee)
SECRETARY/ TREASURER:	K Heeringa PO Box 34 Te Awamutu	
BANKERS:	Westpac Alexandra Street Te Awamutu	
SOLICITORS:	Henry Brandt-Giesen KensingtonSwan Auckland	
ACCOUNTANTS:	Initiom Limited 244 Tristram Street Hamilton	
AUDITORS:	KPMG Level 2 247 Cameron Road PO Box 110 Tauranga 3140 New Zeland	

APPROVAL OF FINANCIAL REPORT

The Trustees are pleased to present the approved financial report including the consolidated financial statements of Waipa Networks Trust for the year ended 31 March 2026.

APPROVED
For and on behalf of the Trustees

S J Matthews
Trustee
Dated: 04/08/2026

M L Gower
Trustee
Dated: 04/08/2026

WAIPA NETWORKS TRUST

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Note	Group		Parent	
		2026	2025	2026	2025
		$	$	$	$
Revenue	2	64,324,998	51,994,976	-	-
Less Discounts		5,636,896	5,400,000	-	-
Net Revenue		58,688,102	46,594,976	-	-
Operating Expenses	3	42,906,752	34,846,077	355,373	378,201
Profit from Operations		15,781,350	11,748,900	(355,373)	(378,201)
Net Gain / (Loss) on investments		5,153,825	4,985,645	(15,160)	218,005
Investment Income		256,074	245,430	444,416	433,692
Net Gain / (Loss) on Disposal of Assets		(296,917)	(54,318)	-	-
Profit / (Loss) before finance costs, share of net profit of subsidary and tax		20,894,332	16,925,656	73,883	273,497
Finance Costs	20	870,314	327,533	-	-
Share of Net Profit / (Loss) of Subsidiary		-	-	15,477,433	12,327,088
Profit / (Loss) before Tax		20,024,018	16,598,123	15,551,316	12,600,585
Less Tax Expense	4	4,351,175	3,997,538		-
Profit/(Loss) for the year		15,672,843	12,600,585	15,551,316	12,600,585
Net loss on cash flow hedges fair value movements (net of tax)		(121,527)	-	-	-
Total Comprehensive Income		15,551,316	12,600,585	15,551,316	12,600,585

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

		Group		Parent	
		2026	2025	2026	2025
		$	$	$	$
Trust Capital	6	100	100	100	100
Retained Earnings *		212,101,380	199,500,796	212,101,380	199,500,796
Equity as at 1 April		212,101,480	199,500,896	212,101,480	199,500,896
Profit / (Loss) for the Year *		15,672,843	12,600,585	15,551,316	12,600,585
Net loss on cash flow hedges fair value movements (net of tax)		(121,527)	-	-	-
Total comprehensive Income for the Year		15,551,316	12,600,585	15,551,316	12,600,585
Trust Capital	6	100	100	100	100
Retained Earnings*	7	227,652,696	212,101,380	227,652,696	212,101,380
Equity as at 31 March		227,652,796	212,101,480	227,652,796	212,101,480

* The only movement in equity is the profit for the year which impacts retained earnings.

These financial statements are to be read in conjunction with the accompanying Notes

KPMG

WAIPA NETWORKS TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	Group		Parent	
		2026	2025	2026	2025
		$	$	$	$
ASSETS					
Property, Plant and Equipment	**15**	204,098,558	189,136,624	94	183
Right of use assets	**16**	81,464	110,519	-	-
Intangible Assets	**17**	7,633,377	8,113,700	-	-
Investments	**22**	57,965,155	52,086,077	-	-
Prepayments		226,485	241,361	-	-
Investment in Waipa Networks Ltd	**18**	-	-	222,157,599	206,680,166
TOTAL NON CURRENT ASSETS		270,005,038	249,688,281	222,157,693	206,680,349
Assets Held for sale		1,745,000	-	-	-
Cash and Cash equivalents	**8**	768,033	779,804	51,636	59,892
Investments	**22**	22,612,567	23,484,281	5,502,152	5,410,780
Trade and other receivables	**10**	6,246,094	4,880,021	10,742	10,742
Inventories	**11**	2,501,468	2,347,564	-	-
TOTAL CURRENT ASSETS		33,873,162	31,491,670	5,564,529	5,481,414
TOTAL ASSETS		303,878,201	281,179,951	227,722,222	212,161,763
EQUITY					
Trust Capital	**6**	100	100	100	100
Retained earnings	**7**	227,652,696	212,101,380	227,652,696	212,101,380
TOTAL EQUITY		227,652,796	212,101,480	227,652,796	212,101,480
LIABILITIES					
Lease Liabilities	**16**	63,648	95,245	-	-
Capital Contributions in advance	**13**	10,321,981	9,712,943	-	-
Borrowings	**9**	19,900,000	18,250,000	-	-
Deferred Taxation	**5**	29,919,099	28,021,131	-	-
TOTAL NON CURRENT LIABILITIES		60,204,728	56,079,319	-	-
Trade and Other Payables	**12**	8,782,435	7,573,848	69,426	60,283
Capital Contributions in advance	**13**	4,747,982	3,042,178	-	-
Lease Liabilities	**16**	31,598	28,966	-	-
Provisions		592,655	-	-	-
Derivative Financial Instruments	**22**	151,467	-	-	-
Employee Entitlements	**14**	927,816	820,626	-	-
Income Tax Payable		786,724	1,533,534	-	-
TOTAL CURRENT LIABILITIES		16,020,676	12,999,152	69,426	60,283
TOTAL LIABILITIES		76,225,405	69,078,471	69,426	60,283
TOTAL EQUITY AND LIABILITIES		303,878,201	281,179,951	227,722,222	212,161,763

For and on behalf of the Trustees

SJ Matthews

S J Matthews, Trustee

04/08/2026

Date:

M L Gower, Trustee

04/08/2026

Date:

These financial statements are to be read in conjunction with the accompanying Notes

WAIPA NETWORKS TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Note	Group		Parent	
		2026	2025	2026	2025
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		58,013,546	46,466,880	-	-
Discounts paid to customers		(5,670,869)	(5,694,671)	-	-
Payments to suppliers and employees		(33,745,619)	(27,507,726)	(313,262)	(338,146)
Net GST		90,655	281,987	-	-
Cash generated from operations		18,687,713	13,546,471	(313,262)	(338,146)
Interest Received		1,658	12,738	-	-
Interest paid		(615,358)	(85,171)	-	-
Taxes Paid		(3,200,018)	(1,222,572)	-	-
Net Cash Flows from Operating Activities	**21**	14,873,995	12,251,466	(313,262)	(338,146)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of Property, Plant and Equipment		93,476	100,554	-	11
Proceeds from intangible assets		-	-	-	-
Capital contributions		7,184,442	5,128,604	-	-
Purchase of Property, Plant and Equipment		(23,970,010)	(30,241,419)	-	-
Purchase of intangible assets		(182,699)	(468,452)	-	-
Dividend Received		-	-	190,000.00	201,000
Purchase of investments		(3,390,840)	(5,624,100)	(394,409)	(332,024)
Distribution of investments		119,965	37,855	-	-
Proceeds Received from Investments		3,638,867	5,677,879	509,415	482,024
Net cash flows from investing activities		(16,506,799)	(25,389,079)	305,006	351,011
CASH FLOW FROM FINANCING ACTIVITIES					
Increase/(decrease) in borrowings		1,650,000	13,700,000	-	-
Principal portion of the lease liability		(28,966)	(25,743)	-	-
Net cash flows from financing activities		1,621,034	13,674,257	-	-
			-		
Net increase (decrease) in cash held		(11,771)	536,644	(8,256)	12,864
Cash & cash equivalents at 1 April		779,804	243,160	59,892	47,028
Cash & cash equivalents at 31 March		768,033	779,804	51,636	59,892
CASH BALANCES IN THE STATEMENT OF FINANCIAL POSITION		768,033	779,804	51,636	59,892

These financial statements are to be read in conjunction with the accompanying Notes

WAIPA NETWORKS TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1 STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Waipa Networks Trust (the Trust) is a trust established in terms of a trust deed dated 30 April 1993. It is also referred to as the parent.
The Group consists of Waipa Networks Trust, Waipa Networks Growth Limited and its wholly owned subsidiary, Waipa Networks Limited.

Statement of Compliance

The Financial Statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The Financial Statements comply with the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

Basis of Preparation

The functional and reporting currency used in preparation of the Financial Statements is New Zealand dollars. They are prepared on a historical cost basis. The Statement of Comprehensive Income and Statement of Cash Flows have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated exclusive of GST with the exception of receivables and payables which include GST invoiced.
These Financial Statements have been prepared in accordance with NZ IFRS that are effective or available.
These general purpose financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013.

The Trust and Group financial statements have been prepared in accordance with the Trust deed and section 46A of the Energy Companies Act 1992 & Trusts Act 2019.

Purpose of Entity

The object of the Trust is to hold shares in the Waipa Networks Ltd on behalf of the connected consumers. Every 3 years connected consumers (the 27,000 or so customers Waipa Networks delivers power to) vote for up to six members for the Trust. The Trust in turn appoints the Company's Directors, who are responsible for the running of the Company.

Critical Accounting Estimates and Adjustments

The preparation of Financial Statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Impairment

The carrying amounts of the Group's assets other than deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated, being the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.
In accordance with its policy, the Group has made an assessment of indicators that are most relevant to the Group's asset base and the risks of impairment, including whether:

- The network assets are able to meet its service performance expectations
- The Group's operational activities are, and forecast to be, profitable and therefore, financially sustainable. The directors of Waipa Networks Limited forecast income and cash flows into the medium to long term, and make comparison of budget to actual on regular basis to monitor the Group's financial viability.
- The assets are deteriorating faster than the expected useful lives, refer (ii) below.
- The impact of external events indicate specific impairment risks.

Our assessment did not identify any indicators of material impairment across the property, plant and equipment or intangible assets of the Group, including easements.

(ii) Useful lives of property, plant and equipment

Useful lives are determined on an asset by asset basis and set in the Group's depreciation policies, revisited annually and adjusted if there is evidence that the useful lives are no longer as expected. The policy rates consider the nature of the assets, and the pattern by which the Group will realise value from the assets, their economic use, within the Group's strategic purpose and expected operating activities.
The condition of assets operating to plan, and thus the accuracy of the useful life assumption is monitored by asset inspections, systems and processes to capture information on asset condition (surveying, GIS and SCADA) and having an asset maintenance program in place. KPIs that monitor compliance to program provide reassurance that assets are sufficiently maintained to that the estimate is a materially accurate reflection of their actual lives. The Directors of Waipa Networks Limited monitor progress against targets of the annual capital and maintenance plans, system reliability and performance targets to help form their judgment on the appropriateness of useful lives estimates.

1 STATEMENT OF ACCOUNTING POLICIES (Cont)

Changes in Accounting Policies

Standards, amendments, and interpretations issued but not yet effective
The following accounting standards and amendments that have been issued but are not mandatory for the year ended 31 March 2026 have not been early adopted by the Company:

NZ IFRS 18 Presentation and Disclosure in Financial Statements will replace NZ IAS 1 Presentation of Financial Statements once it becomes mandatory for the period beginning on or after 1 January 2027. Key changes include:
- New requirements to classify income and expenses into defined categories in the Statement of Profit or Loss.
- Introduction of two new defined subtotals in the Statement of Profit or Loss; 'Operating Profit or Loss' and 'Profit or Loss before Financing and Income Taxes'.
- Enhanced requirements for the disclosure of information about management-defined performance measures.
- Enhanced requirements and principles for the location of information and the aggregation/disaggregation of information in the primary financial statements notes.

The Group has not yet assessed the possible impact these are likely to have on its financial statements.

New and amended standards and interpretations.
There have been no changes in accounting policies. The accounting polices set out below have been applied consistently to all periods presented in these financial statements.

Specific Accounting Policies

a) Consolidation

Where the Trust has control over an investee, it is classified as a subsidiary. The Trust controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Trust and its subsidiary (''the Group'') as if they formed a single entity. Inter-entity transactions and balances between group entities are therefore eliminated in full.

Investments in a subsidiary are accounted for using the equity method. The investment is initially recognised at cost and adjusted thereafter by the Trusts share of the net profit recognised in the comprehensive income statement. The investment is initially recognised at cost and adjusted thereafter by the Trust's share of the net profit, recognised in the comprehensive income statement.

Waipa Networks Trust conducts regular ownership reviews; no less than every five years. Trustees of Waipa Networks Trust make the final decision following any review and ownership control of the Group is unable to change without the majority of Trustees deciding to do so. Changes in ownership or loss of control could affect group performance, voting rights and the ability to direct the activities of the Group including pricing decisions, network performance, customer discounts, network maintenance, community activities and energy efficiency initiatives.

Waipa Networks Trust is able to direct activities of the Group through Director selection and the Statement of Corporate Intent process; where Waipa Networks Trust can direct asset and liability decisions of the Group. There are no significant restrictions on the ability of Waipa Networks Trust ability to direct the activities of the the Group.

b) Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

Network Line Services
Revenue recognised over time:
The Group's obligation is to provide a single performance obligation of continuous service to which the customer benefits incrementally over time as the service is delivered. The Group invoices its customers (predominately electricity retailers) monthly for electricity delivery services across the region’s lines network. No customers have significant payment terms or extended credit.

The Group's revenue is predominantly sourced from Electricity Retailers who are invoiced monthly for the delivery services to their connected customers (ICPs) in accordance with standard industry protocols. There are three ICPs who have a direct contractual relationship with the Group for delivery services and those are invoiced direct accordingly. No customers have significant payment terms or extended credit. ICPs have price categories and plans allocated in accordance with the Waipa Networks Limited Pricing Methodology. The majority of services are charged on a cost-recovery model, composed of fixed and volumetric charges. The Group has Advanced Uncontrolled price plans and Advanced All Inclusive plans offering rates dependent in which time period (Peak/Off Peak/Shoulder) electricity is used. All ICPs with an advanced meter moved to a form of Advanced pricing from 1 April 2022.

Large low voltage ICPs have the option of a 400V Capacity Contract price plan, where costs are recovered through both a maximum demand charge and volumetric Advanced pricing. The maximum demand charge automatically increases in keeping with any increase in maximum demand from the previous month, however any reduction in maximum demand does not result in reduced charges until that reduced maximum demand has been sustained for a full 12 month period. Large 11kV ICPs are charged on a similar basis as the 400V Capacity Contract ICPs, with the exception of the three direct-billed customers who have individual fixed monthly invoices, reviewed annually.
Revenue comprises amounts received and receivable at balance date for network services supplied to customers in the ordinary course of business, including estimated amounts for accrued sales.

1 STATEMENT OF ACCOUNTING POLICIES (Cont)

Contracting Sales
Revenue recognised over time:
Contracting sales include charges to retailers for ongoing service arrangements. Revenue is recognised over time by reference to completion of the actual service provided as a proportion of the total services to be provided.

Revenue recognised at a point in time:
The majority of point in time contracting sales include charges to customers for electrical servicing on customer-owned assets such as upgrading street lights or overhead lines. Deposits of 50% taken are deferred income within balance sheet liabilities until the obligation is complete. Other contracting sales include charges to customers in response to call outs and customer faults. These works are invoiced after the service is provided based on a standard charge out rate for time and materials incurred. For both, revenue is recognised in the statement of comprehensive income on completion of the works.
Across all contracting sales, no customers have significant payment terms or extended credit. Waipa Networks Limited provides a 3 year warranty on materials and labour for electrical works performed as an assurance that the products sold comply with agreed-upon specifications. No provision for the warranty has been provided as any future claims on work performed are not expected to be material.

Capital Contributions
Revenue recognised over time:
Contributions received from local authorities and other third parties towards the cost of additions or modifications to the Reticulation Assets are invoiced in advance of works being performed and recognised in the balance sheet initially as deferred income. When the asset improvements are completed, the Group has performed the conditions attached to the income and the revenue is recognised in the statement of comprehensive income as operating income on a straight-line basis over a period of up to 40 years that reflects the useful lives of the asset and the benefit to the customer.

Revenue recognised at a point in time:
Other contributions towards the cost of additions or modifications to the Reticulation Assets are invoiced when received and recognised in the Statement of Financial Postition initially as deferred income. The revenue is recognised in the statement of comprehensive income as operating income when the works have been completed.
Asset title and obligation to maintain resides with the Group and the asset is capitalised as part of the electricity reticulation asset.

Interest Income
Interest income is recognised in the statement of comprehensive income as it accrues.

Rental Income
Rental Income is recognised as part of Sundry income within in the statement of comprehensive income on a straight line basis over the course of the lease term.

Discounts
Revenue discount recognised over time:
The Group pays discounts to its customers twice a year through their Retailer electricity bill, however as the discount relates to a price adjustment to the lines revenue, it is recognised over the time period that the lines services are being provided. Discounts are calculated based on the electricity usage using discount allocation methodology. The final amount of the discount is determined by the Waipa Networks Limited's Board. In addition to the discounts, the Group distributes to customers the Loss rental rebates received for the period. Any discounts unpaid at year end are accrued.

WAIPA NETWORKS TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

		Group		Parent	
		2026	2025	2026	2025
		$	$	$	$
2 REVENUE					
Network line services		55,760,277	44,140,942	-	-
Contracting sales		1,425,800	1,008,160	-	-
Capital contributions		5,290,887	5,465,242	-	-
Connection fees		1,272,801	850,706	-	-
Sundry income		575,232	529,926	-	-
Total Revenue		64,324,998	51,994,976	-	-
Assumptions disclosed in Statement of accounting policies (j)					
Revenue recognised over time					
Network line services		55,760,277	44,140,942	-	-
Capital contributions		321,098	360,684	-	-
Total Revenue recognised over time		56,081,375	44,501,626	-	-
Revenue recognised at a point in time					
Contracting sales		1,425,800	1,008,160	-	-
Capital contributions		4,969,790	5,104,558	-	-
Connection fees		1,272,801	850,706	-	-
Sundry income		575,232	529,926	-	-
Total Revenue recognised at a point in time		8,243,623	7,493,350	-	-
Total Revenue		64,324,998	51,994,976	-	-

Revenue of $2,364,293 (2025 $2,257,466) was included in capital contributions in advance at the end of the previous financial year.

3 OPERATING EXPENSES					
Audit fees for these financial statements (i)		245,167	233,104	33,465	32,430
Audit fees for prior year (KPMG)		1,622	4,982	1,622	4,982
Audit fees for disclosure financial statements (i)		38,700	33,400	-	-
Trustees Fees		140,059	114,717	140,059	114,717
Depreciation - Property Plant & Equipment		6,877,728	5,946,105	90	177
Depreciation - Right of use assets		29,056	28,643	-	-
Amortisation of intangible assets		663,023	581,538	-	-
Transmission charges		13,137,515	7,755,532	-	-
Consulting and legal expenses		1,919,101	1,251,288	-	-
Employee benefits					
Superannuation - defined contribution plans	19	391,251	349,835	-	-
Other Employee benefits	19	10,561,123	11,132,860	33,245	31,385
Directors' fees		357,615	333,720	-	-
Materials and Contractors		1,933,755	1,902,933	-	-
Inventories		430,445	279,788	-	-
Bad debts		90,257	265,788	-	-
Change in Provision for Doubtful Debts		-	(174,618)	-	-
Write (on) off of Inventories		(343,135)	(85,558)	-	-
Other expenses		6,433,469	4,892,021	146,893	194,511
Total Operating Expenses		42,906,752	34,846,077	355,373	378,202

4 TAX

The income tax on the profit or loss for the year includes both current and deferred tax. The income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly to equity, in which case the income tax is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at the Balance Sheet date together with any adjustment to tax payable in respect of previous years.
Deferred tax is calculated using the Balance Sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Profit/(Loss) Before Tax	20,105,018	16,598,123	15,551,316	12,600,585
Income Tax (Company at 28%; Trust 33%)	5,639,239	4,627,175	5,131,934	4,158,193
Tax effect of non assessable revenue	(1,251,955)	(563,987)	(5,102,548)	(4,139,881)
Adjustment for imputation credits received	-	-	24,383	25,795
Imputation Credits converted to a tax loss	-	-	(73,889)	(78,167)
Utilisation of tax losses not previously recognised	-	-	(53,770)	(44,107)
Tax effect of expenses that are non deductible	12,112	6,134	-	-
Adjustments Previous Years	(48,221)	(71,784)	-	-
Tax lossed not recongnised	-	-	73,889	78,167
Tax Expense	4,351,175	3,997,538	-	-
Under / (over) provision previous year	-	-		-
The Tax charge comprises:				
-current tax	2,405,948	2,915,146	-	-
-deferred tax on temporary differences	1,945,227	1,082,392	-	-
Total Tax Expense	4,351,175	3,997,538	-	-
All temporary differences have been recorded in the financial statements				
Total Tax Expense	4,351,175	3,997,538	-	-

5 DEFERRED TAX

	Group 2026	Group 2025	Parent 2026	Parent 2025
Balance at 1 April	28,021,132	26,938,739	-	-
Deferred portion of current year tax expense	1,945,227	1,082,392	-	-
Deferred portion of current year movement through equity	(47,261)	-	-	-
Balance at end of year	29,919,099	28,021,131	-	-
Deferred tax Property, plant and equipment				
Balance at 1 April	26,796,229	26,100,571	-	-
Charged to statement of comprehensive income	3,778,134	696,658	-	-
Charged to equity	-	-	-	-
Balance at 31 March	30,574,363	26,797,229	-	-
Deferred tax employee entitlements				
Balance at 1 April	(209,331)	(183,261)	-	-
Charged to statement of comprehensive income	(30,868)	(26,070)	-	-
Charged to equity	-	-	-	-
Balance at 31 March	(240,199)	(209,331)	-	-
Deferred tax other				
Balance at 1 April	1,434,234	1,021,431	-	-
Charged to statement of comprehensive income	(1,802,039)	411,803	-	-
Charged to equity	(47,261)	-	-	-
Balance at 31 March	(415,066)	1,433,234	-	-
Deferred tax total				
Balance at 1 April	28,021,132	26,938,739	-	-
Charged to statement of comprehensive income	1,945,227	1,082,392	-	-
Charged to equity	(47,261)	-	-	-
Balance at 31 March	29,919,099	28,021,131	-	-

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	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
6 TRUST CAPITAL				
Balance at beginning of year	100	100	100	100
Balance at end of year	100	100	100	100
7 RETAINED EARNINGS				
Balance at beginning of year	212,101,380	199,500,795	212,101,380	199,500,795
Net Surplus after Taxation	15,551,316	12,600,585	15,551,316	12,600,585
Balance at end of year	227,652,696	212,101,380	227,652,696	212,101,380
8 CASH AND CASH EQUIVALENTS				
Current Account	768,033	779,804	51,636	59,892
Short Term Investments	-	-	-	-
	768,033	779,804	51,636	59,892

Cash and cash equivalents comprise cash balances and deposits with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The carrying amount for cash and cash equivalents equals the fair value.

9 BORROWINGS				
Current portion	-	-	-	-
Non current portion	19,900,000	18,250,000	-	-
	19,900,000	18,250,000		-

The Group continues to have access to a working capital facility of $40 million (2025 $40m), which has a balance of $19.9 million at balance date (2025 $18.25 million).

Net debt reconciliation

Opening Balance at 31 March	18,250,000	4,550,000	-	-
Drawdown of facility	50,050,000	74,810,000	-	-
Interest capitalised to related party borrowing	-	-	-	-
Repayment of related party borrowings	-	-	-	-
Repayment of debt facilities	(48,400,000)	(61,110,000)	-	-
Closing Borrowings at 31 March 2026	19,900,000	18,250,000	-	-

The Debt Facility at year end relates to a multi option credit facility totaling $40 million (2025 $40 million). A facility fee rate is charged and the drawn balance is charged interest at a variable interest rate, annual weighted average rate 3.32% (2025 4.55%). The facility expires as follows:

Facility expiry date		Total Facility
27/09/2027	25,000,000	25,000,000
31/05/2028	15,000,000	15,000,000
	40,000,000	40,000,000

The Group has no financial convenant reporting requirements for the unsecured debt facilities.

The unsecured debt facilities become repayable on demand in the event the subsidiary fails to make interest and principal payments when they fall due. The subsidiary complied with all borrowing repayment obligations during the period.

The amounts disclosed above are the undiscounted contracted cash flows.

The carrying amount for borrowings equals the fair value.

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	Group 2026 $	Group 2025 $	Parent 2026 $	Parent 2025 $
10 TRADE AND OTHER RECEIVABLES				
Trade receivables	6,298,679	4,808,811	-	-
Provision for Doubtful Debts	(429,378)	(371,447)	-	-
	5,869,301	4,437,363	-	-
Accrued Income	76,810	-	-	-
Prepayments	299,983	442,658	10,742	10,742
	6,246,094	4,880,021	10,742	10,742

Accounts receivables are stated at their expected realisable value after providing for doubtful debts. Bad debts are written off in the period they are identified.

Trade and other receivables are non-interest bearing and are normally invoiced on 7 day terms, therefore the carrying value of trade and other receivables approximate their fair value. In accordance with the Group's response to Credit Risk in note 22, a provision has been made for expected credit losses for the sale of goods and services determined by reference to past default experience and the current economic climate. In making this assessment, the Group considers electricity retailers and individual customers separately, recognising a difference in credit risk between the two groups.

The Group provides 100% for the collectability of significantly aged debt over 90 days due that is under management of debt collection agencies.

No allowance for expected credit losses for current to 60 days trade receivables has been applied due to a quantitatively immaterial risk of uncollectability. As such, the Group rebuts the presumption in NZ IFRS 9 that there is a significant increase in credit risk when financial assets are more than 30 days past due. The percentage of expected credit loss (ECL) allowances for trade debtors over 61-90 days is 30% (2025 30%) and for over 90 days is 100% for debtors relating to third party vehicle accidents (2025 100%). All other debtors over 90 days are assessed individually on the likelihood of receipt of payment. These percentages were applied to the GST exclusive amount of the balance.

	2026		2025	
As at 31 March 2026 the ageing analysis of trade receivables is as follows:	**Gross**	**Impairment**	**Gross**	**Impairment**
0 - 30 days	5,790,182	12,550	4,282,855	-
31 - 60 days	111,138	89,149	42,639	-
61 - 90 days	6,901	1,668	37,880	11,331
91 days plus	390,459	326,011	445,436	360,116
	6,298,679	429,378	4,808,810	371,447

	Group 2026 $	Group 2025 $	Parent 2026 $	Parent 2025 $
Movements in the provision for doubtful debts:				
Balance as at 1 April	371,447	546,065	-	-
Additional provisions made during the year	119,117	208,451	-	-
Reversal of provision during the year	(61,186)	(383,069)	-	-
Balance as at 31 March	429,378	371,447	-	-

11 INVENTORIES

Inventories are stated at the lower of weighted average cost and net realisable value.
Cost of work in progress and finished goods includes the cost of direct materials, direct labour and a proportion of the manufacturing overhead expended in putting the inventories in their present location and condition.

	Group 2026 $	Group 2025 $	Parent 2026 $	Parent 2025 $
Stock	2,419,576.31	2,219,457	-	-
Work in Progress	81,891.75	128,107	-	-
	2,501,468	2,347,564	-	-

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12 TRADE AND OTHER PAYABLES

Trade payables and other accounts payable are recognised when the Group becomes obligated to make future payments resulting from the purchase of goods and services.

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Accounts payable and accruals-trade	8,782,435	7,573,848	69,426	60,283
	8,782,435	7,573,848	69,426	60,283

Accounts payable and accruals - trade, are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximate their fair value.

13 CAPITAL CONTRIBUTIONS IN ADVANCE

Capital contributions revenue is recognised in the Statement of Comprehensive Income as revenue over the projected useful life of the asset that the contribution was provided for, on a straight-line basis of up to 40 years.

	Group 2026	Group 2025	Parent 2026	Parent 2025
Capital Contributions from Local Authorities				
Balance as at 1 April	10,019,620	9,416,308	-	-
Less Recognised as revenue in the current year	(321,098)	(360,684)	-	-
Plus reclassified from capital contributions recognised at a point in time	321,098	306,684	-	-
Balance remaining from 1 April	10,019,620	9,362,308	-	-
Contributions received in the current year	623,459	657,312	-	-
Balance as at 31 March	10,643,079	10,019,620	-	-
Current Capital Contributions in advance	321,098	306,677	-	-
Non current Capital Contributions in advance	10,321,981	9,712,943	-	-
Total Capital Contributions in advance	10,643,079	10,019,620	-	-
Capital Contributions from other customers				
Balance as at 1 April	2,735,501	3,687,247	-	-
Less reclassified to capital contributions recognised over time	321,098	360,684	-	-
Less Recognised as revenue in the current year	4,648,692	4,743,711	-	-
Balance remaining from 1 April	(2,234,288)	(1,417,148)	-	-
Contributions received in the current year	7,184,443	5,116,808	-	-
Less Contributions recognised in current year revenue at a point in time	(523,271)	(964,159)	-	-
Current Capital Contributions in advance as at 31 March	4,426,884	2,735,501	-	-
Total capital contributions in advance	15,069,963	12,755,121	-	-
Total Capital Contributions in advance				
Current Capital Contributions in advance	4,747,982	3,042,178	-	-
Non current Capital Contributions in advance				
Over 1 but less than 5 years	1,283,392	1,225,736	-	-
> 5 and < 10 years	1,605,490	1,533,420	-	-
> 10 and < 40 years	7,433,099	6,953,787	-	-
Total Capital Contributions in advance	15,069,963	12,755,121	-	-

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14 EMPLOYEE ENTITLEMENTS

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred. Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and gratuities when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured as the amount unpaid at balance date at current pay rates in respect of the employees' service up to that date.

Provisions made in respect of employee benefits not expected to be settled within 12 months are measured as the amount of future benefit that employees have earned in return for their service in the current and prior periods up to the balance date. The obligation is calculated using the projected unit credit method and is discounted to its present value.

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Current employee entitlements	927,816	820,626	-	-
Non current employee entitlements	-	-	-	-
Total employee entitlements	927,816	820,626	-	-

15 PROPERTY, PLANT & EQUIPMENT

Items of property plant and equipment are stated at cost less accumulated depreciation and impairment losses.
The cost of purchased property plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to the location and condition necessary for their intended use.
The cost of the assets constructed by Waipa Networks, including capital works in progress, includes the cost of all materials used in construction, direct labour and other directly attributable costs, which have been incurred to bring the assets to the location and condition necessary for their intended use. Borrowing costs are capitalised in respect of qualifying assets which take three months or more to construct.

Certain items of property plant and equipment that had been revalued to fair value on or prior to 1 April 2006, the date of transition to NZIFRS, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.
Where parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items of property plant and equipment.
Subsequent expenditure incurred to replace a component of an item of property plant and equipment, that extends the estimated life of the asset, is capitalised. All other expenditure is recognised in the statement of comprehensive income as an expense as incurred.

Depreciation
Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis to allocate the cost of assets over their estimated useful lives. Land is not depreciated.
The range of annual depreciation rates for each classification of property plant and equipment is as follows;

Buildings	**1% to 7%**
Buildings fitout	**1% to 20%**
Reticulation System	**1% to 25%**
Other Electrical	**1% to 5%**
Motor Vehicles	**6.5% to 20%**
Computer Equipment	**10% to 50%**
Plant, Furniture and Fittings	**5% to 50%**

Asset residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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15 PROPERTY, PLANT & EQUIPMENT (Cont)

	Group		Parent	
	2026	2025	2026	2025
Freehold Land	$	$	$	$
Cost to 1 April	7,590,844	7,634,998	-	-
Current year additions		-	-	-
Current year disposals	980,072	44,154	-	-
Cost to 31 March	6,610,772	7,590,844	-	-
Freehold Buildings				
Cost to 1 April	3,843,478	3,799,324	-	-
Accumulated Depreciation to 1 April	459,095	414,238	-	-
Net Book Value 1 April	3,384,383	3,385,086	-	-
Current year additions	-	44,154	-	-
Current year disposals	936,402	-	-	-
Current year depreciation	44,138	44,857	-	-
Cost to 31 March	2,907,076	3,843,478	-	-
Accumulated Depreciation to 31 March	503,233	459,095	-	-
Net Book Value	2,403,843	3,384,383	-	-
Building Fitout				
Cost to 1 April	3,376,243	3,370,500	-	-
Accumulated Depreciation to 1 April	2,662,748	2,587,060	-	-
Net Book Value 1 April	713,495	783,440	-	-
Current year additions	-	5,743	-	-
Current year disposals	61,895	-	-	-
Current year depreciation	74,895	75,688	-	-
Cost to 31 March	3,314,348	3,376,243	-	-
Accumulated Depreciation to 31 March	2,737,643	2,662,748	-	-
Net Book Value	576,705	713,495	-	-
Reticulation Assets				
Cost to 1 April	206,379,906	191,503,410	-	-
Accumulated Depreciation to 1 April	59,686,978	55,144,900	-	-
Net Book Value 1 April	146,692,928	136,358,510	-	-
Current year additions	-	-	-	-
WIP transfers	31,916,831	14,981,180	-	-
Current year disposals	318,100	104,685	-	-
Current year depreciation	5,384,501	4,542,077	-	-
Cost to 31 March	237,978,636	206,379,906	-	-
Accumulated Depreciation to 31 March	65,071,479	59,686,978	-	-
Net Book Value	172,907,157	146,692,928	-	-
Other Electrical Assets				
Cost to 1 April	7,095,675	5,927,464	-	-
Accumulated Depreciation to 1 April	2,631,668	2,478,388	-	-
Net Book Value 1 April	4,464,007	3,449,076	-	-
Current year additions	-	-	-	-
WIP transfers	1,822,826	1,168,211	-	-
Current year disposals	-	-	-	-
Current year depreciation	189,212	153,280	-	-
Cost to 31 March	8,918,501	7,095,675	-	-
Accumulated Depreciation to 31 March	2,820,881	2,631,668	-	-
Net Book Value	6,097,621	4,464,007	-	-

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15 PROPERTY, PLANT & EQUIPMENT (Cont)

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Motor Vehicles				
Cost to 1 April	8,793,053	7,341,575	-	-
Accumulated Depreciation to 1 April	5,041,805	4,284,593	-	-
Net Book Value 1 April	3,751,248	3,056,982	-	-
Current year additions	2,199,915	1,501,034	-	-
Current year disposals	119,465	49,556	-	-
Current year depreciation	830,064	757,213	-	-
Cost to 31 March	10,873,503	8,793,053	-	-
Accumulated Depreciation to 31 March	5,871,870	5,041,805	-	-
Net Book Value	5,001,633	3,751,248	-	-
Plant, Furniture and Fittings				
Cost to 1 April	5,440,273	5,119,180	11,363	11,375
Accumulated Depreciation to 1 April	3,825,624	3,452,624	11,180	11,003
Net Book Value 1 April	1,614,649	1,666,556	183	372
Current year additions	370,738	323,714		-
Current year disposals	34,202	2,621	-	11
Current year depreciation	354,917	373,000	90	177
Cost to 31 March	5,768,066	5,440,273	2,621	11,363
Accumulated Depreciation to 31 March	4,171,799	3,825,624	2,528	11,180
Net Book Value	1,596,267.43	1,614,649	94	183
Work in Progress				
Cost to 1 April	20,925,072	8,707,680	-	-
Accumulated Depreciation to 1 April	-	-	-	-
Net Book Value 1 April	20,925,072	8,707,680	-	-
Current year additions	21,747,651	28,512,232	-	-
WIP transfers	33,768,161	16,294,840	-	-
Current year disposals	-	-	-	-
Current year depreciation	-	-	-	-
Cost to 31 March	8,904,560	20,925,072	-	-
Accumulated Depreciation to 31 March	-	-	-	-
Net Book Value	8,904,560	20,925,072	-	-
Total Net Book Value	204,098,558	189,136,625	94	183

16 RIGHT OF USE LEASE ASSETS AND LIABILITIES

The Group has a small number of lease contracts. Rental contracts are typically made for fixed periods, but may have extension options as described below. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.
Assets and liabilities arising from a lease are initially measured on a present value basis.
Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.
Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
The Statement of Financial Position shows the following amounts relating to leases:				
Cost				
Opening balance at 1 April	211,319	203,764	-	-
Additions	-	7,555	-	-
Closing balance at 31 March	211,319	211,319	-	-
Accumulated depreciation				
Opening balance at 1 April	100,800	72,157	-	-
Depreciation	29,056	28,643	-	-
Closing balance at 31 March	129,855	100,800	-	-
Right of use lease assets				
Cost	211,319	211,319	-	-
Less Accumulated depreciation	129,855	100,800	-	-
Net book value	81,464	110,519	-	-
Lease Liabilities				
Lease liabilities - current	31,598	28,966	-	-
Lease liabilities - non-current	63,648	95,245	-	-
	95,245	124,211	-	-

There were no additions to right of use assets during the year (2025 $7,555).

The right of use asset was initially measured at the net present value of future lease repayments over the lease term, discounted at a rate of 2% implicit in the lease. It is depreciated on a straight line basis over the lease term.

Amounts recognised in the statement of profit or loss				
Depreciation charge of right-of-use assets	29,056	28,643	-	-
Finance costs	5,341	7,237	-	-
The total cash outflow for leases in the year	34,397	35,880	-	-

17 INTANGIBLE ASSETS

Computer software assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the statement of comprehensive income on a straight-line basis so as to allocate the cost of the assets over the estimated useful lives. The useful lives and associated amortisation rates have been estimated as follows;

Computer software	5 - 15 years

Acquired easement rights are capitalised on the basis of the direct costs incurred including injurious affection payments. Easements are deemed to have an indefinite useful life, as the contracts do not have a maturity date and the Group expects to use the easements indefinitely. Therefore, easements are not amortised.
The Group assesses the risk of impairment on its intangible assets annually. Intangible assets form part of the Group's single cash generating unit over which an impairment assessment has been made. Further information is included in Critical Accounting Estimates and Judgements. Intangibles with an indefinite useful life, easements, do not have an expiration date and provide access to land areas necessary for delivering network services now and in the future. These assets are therefore assessed for impairment as part of the single cash generating unit assessment.

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Software				
Cost to 1 April	5,275,250	4,838,727	-	-
Accumulated Amortisation to 1 April	2,009,667	1,428,129	-	-
Net Book Value 1 April	3,265,583	3,410,598	-	-
Current year additions	16,918	-	-	-
WIP Transfers	325,034	436,523	-	-
Current year disposals	-	-	-	-
Current year amortisation	663,023	581,538	-	-
Cost to 31 March	5,617,202	5,275,250	-	-
Accumulated Amortisation to 31 March	2,672,690	2,009,667	-	-
Net Book Value	2,944,513	3,265,583	-	-
Easements				
Cost to 1 April	4,572,850	4,521,265	-	-
Accumulated impairment to 1 April	-	-	-	-
Net Book Value 1 April	4,572,850	4,521,265	-	-
Current year additions	2,560	-	-	-
WIP Transfers	107,437	51,585	-	-
Cost to 31 March	4,682,847	4,572,850	-	-
Accumulated Impairments to 31 March	-	-	-	-
Net Book Value	4,682,847	4,572,850	-	-
Work in Progress				
Cost to 1 April	275,267	294,923	-	-
Accumulated impairment to 1 April	-	-	-	-
Net Book Value 1 April	275,267	294,923	-	-
Current year additions	163,221	468,452	-	-
WIP Transfers	432,471	488,108	-	-
Cost to 31 March	6,017	275,267	-	-
Accumulated Impairments to 31 March	-	-	-	-
Net Book Value	6,017	275,267	-	-
Total Net Book Value	7,633,377	8,113,700	-	-

Capital work in progress (WIP) relates to the ongoing development of information technology systems across finance and operational services, including network asset management and health and safety. The development of these assets generate benefit to support their carrying value through improvements in the quality, efficiency and effectiveness of our corporate services, network asset and people performance, ensuring the Company is fit for purpose and resilient to demands from future technological changes and compliance requirements. To assess WIP for the risk of impairment, the Company considered if the realisation of intended benefit in the business case initially approved will still be achieved and does not present an indicator of impairment.

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	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
18 INVESTMENTS IN WAIPA NETWORKS LIMITED				
Opening balance 1 April	-	-	206,680,166	194,353,078
Share of net profit of subsidiary	-	-	15,477,433	12,327,088
Closing balance 31 March	-	-	222,157,599	206,680,166
19 EMPLOYEE BENEFITS				
Superannuation - defined contribution plans	391,251	349,835	-	-
Other Employee benefits included in operating expenses	10,561,123	11,132,860	33,245	31,385
Other Employee benefits capitalised to Property, Plant and Equipment	4,069,661	1,642,379	-	-
Total Employee benefits	15,022,035	13,125,074	33,245	31,385
20 FINANCE COSTS				
Bank Borrowing costs	1,023,666	752,343	-	-
Interest on lease liability	5,341	7,237	-	-
Interest on lendings	(158,693)	(432,048)	-	-
Total Finance Costs	870,314	327,533	-	-
21 RECONCILIATION OF NET SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Reported Profit/(Loss) after tax	15,551,316	12,600,585	15,551,316	12,600,585
Add (Less) Non Cash Items:				
Depreciation	6,877,728	5,946,105	90	177
Depreciation Right Of Use assets	29,056	28,643	-	-
Amortisation of Intangible Asset	663,023	581,538	-	-
FV Movement on Investment	15,160	(218,005)	15,160	(218,005)
Increase (Decrease) in deferred tax	1,897,967	1,082,392	-	-
Increase (Decrease) in income tax payable	(746,811)	1,533,534	-	-
Net share of Profit - Subsidiary	-	-	(15,477,433)	(12,327,088)
	24,287,438	21,554,792	89,133	55,668
Add (Less) Movements in Working Capital Items				
Decrease (increase) in Tax Receivables	731,478	159,041	-	-
Decrease (increase) in Trade and Other Receivables	(1,508,748)	(233,148)	-	-
Decrease (increase) in Inventories	(153,000)	293,710	-	-
Increase (Decrease) in Trade and Other Payables	1,208,578	1,020,471	9,143	7,271
Increase (Decrease) in Capital Contributions	2,314,842	(348,434)	-	-
Increase (Decrease) in Interest Expense Accrual	6,714	100,312	-	-
Increase (Decrease) in Employee Entitlements	107,191	(269,558)	-	-
	2,707,054	722,394	9,143	7,271
Add (Less) Items Classified as Investing Activities				
Net Loss on Disposal of Assets	296,917	54,329	-	11
Proceeds from Investments	(221,538)	(200,097)	(221,538)	(200,096)
Dividend Received	-	-	(190,000)	(201,000)
Investment gains	(5,168,985)	(4,767,640)	-	-
Capital Contributions	(7,184,442)	(5,116,808)	-	-
Decrease/(Increase) in Prepayments	157,551	4,496	-	-
	(12,120,498)	(10,025,719)	(411,538)	(401,085)
Add (Less) Items Classified as Financing Activities				
Interest added to Related Party Borrowings	-	-	-	-
	-	-	-	-
Net Cash Inflows from Operating Activities	14,873,995	12,251,466	(313,262)	(338,146)

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22 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the contractual rights to receive the cash flows from the financial asset expire, or when the financial asset is transferred and the Group has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of a financial liability derecognised and the consideration paid is recognised in profit or loss.

Classification and measurement

Financial assets

Financial assets are classified and measured based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the instruments. The Group classifies financial assets in the following measurement categories:
- Financial assets measured at amortised cost; and
- Financial assets measured at fair value through profit or loss.

Financial assets are measured at amortised cost only where both of the following conditions are met:
- The asset is held within a business model whose objective is to collect contractual cash flows; and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss, with gains and losses arising from changes in fair value recognised within profit or loss in the Statement of Comprehensive Income.
At initial recognition, financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except for financial assets measured at fair value through profit or loss, for which transaction costs are expensed in profit or loss. Subsequent measurement depends on the classification of the financial asset.

Financial liabilities

Financial liabilities are classified as either:
- Financial liabilities measured at amortised cost; or
- Financial liabilities measured at fair value through profit or loss.

Derivative financial liabilities, including interest rate swaps, are classified as measured at fair value through profit or loss. Where such derivatives are designated in qualifying cash flow hedging relationships, the effective portion of changes in fair value is recognised in other comprehensive income in accordance with hedge accounting requirements.

Financial liabilities measured at amortised cost include trade and other payables, borrowings, and lease liabilities. These liabilities are initially recognised at fair value net of directly attributable transaction costs and are subsequently measured using the effective interest method.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, being interest rate swaps, to manage exposure to variability in cash flows attributable to changes in floating interest rates on borrowings. Derivative instruments are used solely for risk management purposes in accordance with the Treasury Management Policy.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. Where derivatives are designated in qualifying cash flow hedging relationships:
- The effective portion of changes in the fair value of the hedging instrument is recognised in other comprehensive income and accumulated in equity; and
- Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged cash flows affect profit or loss (for example, when interest expense is recognised).

Any hedge ineffectiveness is recognised immediately in profit or loss.

22 FINANCIAL INSTRUMENTS (cont)

Expected credit losses

The Group recognises an allowance for expected credit losses for all financial assets measured at amortised cost. For trade receivables, the Group applies the simplified approach and recognises lifetime expected credit losses at each reporting date. Expected credit losses are measured based on the difference between the contractual cash flows due and the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The estimation of expected credit losses incorporates historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Further information on credit risk and expected credit losses is disclosed in this note and in Note 10.

Financial Instrument classification	**Group 2026**		**Group 2025**	
	At amortised Cost	Fair Value through P&L	At amortised Cost	Fair Value through P&L
Financial Assets				
Cash & cash equivalents	768,033	-	779,804	-
Investments	-	80,577,722	-	75,570,358
Trade and other receivable	6,246,094	-	4,880,021	-
Total Financial Assets	7,014,128	80,577,722	5,659,825	75,570,358
Financial Liabilities				
Trade and other payables	8,782,435	-	7,573,848	-
Debt facility	19,900,000	-	18,250,000	-
Derivative Financial instruments	-	151,467	-	-
Lease liabilities	95,245	-	124,212	-
Total Financial Liabilities	28,777,680	151,467	25,948,060	-

	Parent 2026		**Parent 2025**	
	At amortised Cost	Fair Value through P&L	At amortised Cost	Fair Value through P&L
Financial Assets				
Cash & cash equivalents	51,636	-	59,892	-
Investments - term investments and bonds	5,502,152	-	5,410,780	-
Shares - Waipa Networks Ltd	222,157,599	-	206,680,166	-
Total Financial Assets	227,711,387	-	212,150,838	-
Financial Liabilities				
Trade and other payables	69,426	-	60,283	-
Total Financial Liabilities	69,426	-	53,013	-

Financial Instrument classification

Fair value hierarchy - Group	**Level 1**	**Level 2**	**Level 3**
As at 31 March 2026			
Investments	-	75,075,570	-
As at 31 March 2025	-	70,159,578	-
Derivative financial instruments			

There were no transfers between levels of the fair value hierarchy during the year, or the prior year.

Fair values of investments are determined using quoted market prices in active markets. The fair value of derivative instruments is determined using valuation techniques based on observable market inputs, including forward interest rate curves and credit spreads.

Financial risk management

The Trustees has overall responsibility for the establishment and oversight of the Group's risk management framework and the Group's treasury activities are governed by its Treasury Management Policy which sets out the objectives, delegated authorities, risk limits and approved instruments for managing treasury related risks. Treasury activities are undertaken solely for risk management purposes and speculative transactions are prohibited.

The Group is exposed to financial risks through its use of financial instruments in the normal course of business. These risks principally comprise credit risk, liquidity risk, market risk (including interest rate and price risk), and counterparty risk.

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22 FINANCIAL INSTRUMENTS (cont)

Credit Risk

Credit risk is the risk of financial loss arising from the failure of a counterparty to meet its contractual obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, cash and cash equivalents, investments and derivative instruments.

Trade and other receivables

Trade receivables predominantly arise from electricity retailers and customers within the Group's distribution network. The Group applies the simplified expected credit loss model for trade receivables and recognises lifetime expected credit losses at each reporting date. Detailed ageing analyses and movements in expected credit loss provisions are disclosed in note 10.

The Group's largest customer accounts for approximately 26% (2025 25%) of total revenue and 20% (2025 20%) of trade receivables at balance date. There are no other significant concentrations of credit risk. The Group does not hold collateral in respect of trade receivables and does not provide financial guarantees.

Cash and cash equivalents and Investments

Credit risk in relation to cash, investments and derivatives is managed in accordance with the Treasury Management Policy, which restricts dealings to approved counterparties with minimum credit ratings and sets limits on counterparty exposure. Cash, investments and derivatives are placed with financial institutions that are regulated by the Reserve Bank of New Zealand and have a minimum long term credit rating of A- or better.

Market Risk

Price Risk

The Group is exposed to price risk arising from fluctuations in the fair value of its managed investment funds. These investments are measured at fair value through profit or loss, with changes in fair value recognised in the Statement of Comprehensive Income.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the Group's cash flows or fair values of financial instruments. The Group is exposed to interest rate risk primarily through variable rate borrowings.

The Treasury Management Policy requires interest rate risk to be managed within Trustees approved minimum and maximum fixed rate limits over defined time horizons. Interest rate swaps are used to convert a portion of floating rate debt into fixed rate exposures in order to reduce cash flow volatility.

Interest rate exposure

	2026 Interest rate	2026 $	2025 Interest rate	2025 $
Bank borrowings	Variable	19,900,000	Variable	18,250,000
Nominal value of hedged debt	Fixed	15,000,000		
Net exposure to cash flow interest rate		4,900,000		18,250,000

WAIPA NETWORKS TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

22 FINANCIAL INSTRUMENTS (cont)

Derivative financial instruments

The Group uses interest rate swaps to hedge exposure to variability in cash flows attributable to changes in benchmark interest rates on floating rate borrowings. These derivatives are designated as cash flow hedges, the hedged item is the forecast variable interest payments on borrowings. The hedging instruments are pay fixed, receive floating interest rate swaps with a hedge ratio of 1:1. Hedge effectiveness is assessed prospectively and retrospectively to ensure an economic relationship exists between the hedged item and the hedging instrument.

At 31 March 2026, the key terms of the hedging instruments were:

	Carrying amount $	Notional amount $	Average fixed interest rate
Interest rate swaps	151,467	15,000,000	3.65%

During the year, the effective portion of changes in the fair value of interest rate swaps recognised in other comprehensive income was $121,527. Amounts reclassified from equity to finance costs during the year were $29,940. No hedge ineffectiveness was recognised in profit or loss.

Sensitivity analysis
A reasonably possible change of 1% in interest rates, with all other variables held constant, would have the following impact on profit or loss:

	Group 2026		Group 2025	
	1% Increase $	1% Decrease $	1% Increase $	1% Decrease $
Financial Assets				
Cash and cash equivalents	7,680	(7,680)	7,798	(7,798)
Investments	500,160	(500,160)	470,854	(470,854)
Financial Liabilities				
Debt Facility	(49,000)	49,000	(182,500)	182,500

	Parent 2026		Parent 2025	
	1% Increase $	1% Decrease $	1% Increase $	1% Decrease $
Financial Assets				
Cash and cash equivalents	516	(516)	599	(599)

For cash flow hedges, changes in the fair value of the effective portion of the hedging instruments are recognised in other comprehensive income and do not affect profit until the hedged interest payments occur.

Foreign exchange risk

Foreign exchange risk arises when transactions are denominated in currencies other than the New Zealand dollar. In accordance with the Treasury Management Policy, the Group does not maintain material foreign currency exposures in the ordinary course of business. Any material foreign currency exposures would be hedged using forward exchange contracts once contractually committed. There were no foreign currency hedging instruments in place at 31 March 2026 (2025 Nil).

Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. Liquidity risk is managed by maintaining sufficient cash balances and access to committed debt facilities, consistent with the Treasury Management Policy requirement that committed facilities and liquid assets exceed forecast peak debt levels.

The Trust's access to committed credit facilities is disclosed in note 9.
The Trust's exposure to liquidity risk related to trade and other payables is disclosed in note 12.

WAIPA NETWORKS TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

22 FINANCIAL INSTRUMENTS (cont)

The table below summarises the contractual undiscounted cash flows of financial liabilities at balance date including contractual interest payments:

Group

Year ended 31 March 2026	< 1 year	1-5 years	> 5 years	Total Contractual cash flows	Carrying Amount
Trade and other payables	8,782,435	-	-	8,782,435	8,782,435
Debt Facility	116,268	19,900,000	-	20,016,268	19,900,000
Lease liabilities	34,469	109,411	-	143,880	124,212
Derivative financial instruments	-	151,467	-	151,467	151,467
	8,933,172	20,160,878	-	29,094,050	28,958,114

Year ended 31 March 2025	< 1 year	1-5 years	> 5 years	Total Contractual cash flows	Carrying Amount
Trade and other payables	7,573,848	-	-	7,573,848	7,573,848
Debt Facility	109,554	18,250,000	-	18,359,554	18,250,000
Lease liabilities	34,469	109,411	-	143,880	124,212
	7,717,871	18,359,411	-	26,077,282	25,948,060

Parent

Year ended 31 March 2026	< 1 year	1-5 years	> 5 years	Total Contractual cash flows	Carrying Amount
Trade and other payables	69,426	-	-	-	69,426
	69,426	-	-	-	69,426

Year ended 31 March 2025	< 1 year	1-5 years	> 5 years	Total Contractual cash flows	Carrying Amount
Trade and other payables	60,283	-	-	-	60,283
	60,283	-	-	-	60,283

23 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There are no contingent liabilities for the Group as at 31 March 2026 (2025: Nil)

As at 31 March 2026 there are contractual commitments of $1,102,199 for plant and reticulation asset purchases (2025 $667,084), $1,165,614 for building refurbishment works (2025 nil), and $5,656,260 for capital calls on non-current investments (2025 $6,868,993). $2,700,000 of these capital call commitments are payable in Australian Dollars and have been translated into $NZD at the exchange rate at 31 March 2026 (2025 $3,300,000).

24 CONTINGENT ASSETS

There are no contingent assets as at 31 March 2026 (2025:$Nil).

25 EVENTS SUBSEQUENT TO BALANCE DATE

The Trustees have authorised these financial statements for issue on 4 August 2026. The Directors of Waipa Networks Ltd authorised their financial statements for issue on 23 June 2026. There have been no significant events during the period since year end which have an impact on the information presented as at balance date.

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WAIPA NETWORKS TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

26 RELATED PARTIES

At balance date, the Waipa Networks Trust held 100 per cent of the shares in Waipa Networks Limited.
As part of its everyday business Waipa Networks Ltd passes rebates to retail electricity users in its network. Directors and staff of Waipa Networks Ltd and Trustees of Waipa Networks Trust that are connected to the company's network have received these rebates calculated on the same basis as other retail electricity user rebates.

	Parent	
	2026	2025
Related Party Transactions with Waipa Networks Ltd:	$	$
Interest charged	-	-
Advance to WNL	-	-
Advance from WNL	-	-
Dividend	190,000	201,000
Repayments received from WNL	-	-
Related Party Loan:		
Opening Balance at 31 March	-	-
Interest capitalised to related party borrowing	-	-
Repayment of related party borrowings	-	-
Closing Borrowings at 31 March 2025	-	-

Related Party Transactions with Advance Security Ltd:

Advanced Security Group (Wkto) Limited is a Group associated with Mike Marr (former Deputy Chair). All transactions undertaken with Advanced Security Group (Wkto) Limited have been entered into on an arm's-length commercial basis.

	Group	
	2026	2025
	$	$
Capital Expenditure	11,360	12,841

At balance date Waipā Networks had committed $2,041 of expenses with Advanced Security Group (Wkto) Limited (2025 $2,874).

There are no other related party transactions.
No related party debts were forgiven or written off during the year (2025 nil).

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Remuneration of Key Management Personnel				
Short term employee benefits	2,262,433	1,842,030	-	-
Termination benefits	-	-	-	-
Secretary & Trustees Fees	173,304	146,101	173,304	146,101
Director's Fees	357,615	333,720	-	-
	2,793,352	2,321,851	173,304	146,101

The remuneration of directors is determined by the Waipa Networks Trust. The remuneration of the Chief Executive Officer is determined by the Trustees having regard to the performance of the individual and market trends. The remuneration of other key management is determined by the Chief Executive Officer having regard to the performance of individuals and market trends.

SUPPLEMENTARY INFORMATION (unaudited)

FOR THE YEAR ENDED 31 MARCH 2026

PERFORMANCE MEASURES

All figures in the following supplementary information relates to Waipa Networks Limited (the Company).

Under Section 44 of the Energy Companies Act 1992, the Company is required to report its performance against targets set out in the Statement of Corporate Intent for the year. The performance of the business for the year ended 31 March 2026 is as follows:

	2026	2025
Financial Performance Indicators		
Return on total assets (excl discount)	8.9%	8.1%
Profit before discounts, finance costs and tax / total assets		
Return on network assets (excl discount)	9.6%	8.5%
Profit before discounts, finance costs and tax (excluding investment income and revaluation gains and losses) / total assets excluding investment funds		
Return on growth funds	6.9%	6.8%
Investment income plus gains/losses on investment / investment funds		
Return on equity (after discounts)	7.1%	6.1%
Profit after tax / shareholders funds		
Ratio of shareholders' funds to total assets	74.5%	75.0%
Shareholders' funds / total assets		
Shareholders' funds comprise the total issued capital, the balance of undistributed profit and all revenue and capital reserves. Total assets comprise all the recorded tangible and intangible assets of the Company at their current value		
EBITF $000	$15.8m	$12.1m
Earnings before interest income, finance costs, tax and financial adjustments for revaluation of investments		
Distributions		
Dividends paid to shareholders	$190k	$201k
Discounts paid based on volumes and posted discount prices	$5.6m	$5.4m

Network Reliability performance measures

The Statement of Corporate Intent SAIDI and SAIFI targets are set based on the Commerce Commission's DPP3 approach for reliability targets to drive improvement in the network's performance and enable benchmarking. The DPP target is set over five years then pro-rated to an annual target.

	2026	2025
SAIDI (average minutes per customer) *	87.0	151.3
Planned	123.6	83.3
Unplanned		
SAIFI (average interruptions per customer) **	0.6	0.8
Planned	1.7	1.0
Unplanned		

* System Average Interruption Duration Index (total average minutes of electricity lost per customer)
** System Average Interruption Frequency Index (total average frequency of interruptions to electricity supply per customer)

Successive interruptions greater than one minute within an event are treated as new interruptions. In circumstances where multiple interruptions occur as a result of a single initiating event, e.g. interruptions for fault finding; we count each interruption separately. This is consistent with the interpretation used in the prior year.

While planned SAIDI was below the nominal cap, planned SAIFI was over reflecting a higher frequency of planned duration outages to deliver our asset maintenance and renewal programme of works.
Unplanned SAIDI was above the target cap, mainly due to:

- third party interference due to vehicles damage caused 34 SAIDI minutes (28% of the total SAIDI) from 37 incidents compared to 17 incidents in FY25. We are reviewing possible trends to inform our response.

- defective equipment caused 35 SAIDI minutes (28%) compared to 27 minutes in FY25 mainly from overhead equipment and HV switchgear faults. Our inspections and fleet renewal programmes are set to identify and remove poor condition equipment from the network gradually reducing equipment failure rate.
- vegetation faults contributed 24 SAIDI minutes (19%) exceeding the 17 SAIDI minutes in FY25 mostly due to out of zone vegetation. The updated tree regulations will gradually improve our ability to manage vegetation near our power lines reducing the impact of the vegetation on the network.

SUPPLEMENTARY INFORMATION (unaudited)

FOR THE YEAR ENDED 31 MARCH 2026

PERFORMANCE MEASURES (cont)

Customer, Community and Environment

As we are a community owned entity we have included measures that focus on how we connect and provide for stakeholders and how we monitor our overall impact on the environment.

	Measure	Target	2026
Sustainability: Community	Community projects implemented to help alleviate energy hardship and provide education on the efficient use of electricity.	Deliver/actively participate in six business forum events.	Complete
		Delivery of the School Kit programme to WNL primary schools, complete school visits with four schools.	Kits delivered 3 School visits[1]
		Deliver Winter Warmer Packs to support minimum of 500 people.	Complete
Sustainability:Environmental	Environmental projects to raise our environmental awareness and actively reduce our environmental footprint.	We've identified all sources of physical waste and achieved a 10% reduction in currently measured waste streams.	Incomplete[2]
Sustainability: Cultural	We are embracing Māoritanga and building relationship with mana whenua.	We have planned our 3-year Te Ao Maori journey and at least 12.5% of staff have completed foundational Te Reo training.	Plan completed 12.6% staff enrolled 11.7% staff completed[3]

[1] Fourth school visit was not able to be completed due to curriculum change

[2] While data quality inhibits our ability to accurately report on all sources of physical waste, we have undertaken a number of waste reduction initiatives during the year:
- *Scrap metal recycling volume increase of 21% from prior year.*
- *Concrete power poles recycled increase of 44% from prior year.*
- *Wooden power poles diverted from landfill since November 2024.*
- *General waste to landfill reduction was not achieved, however the volume of landfill waste from skip collections increased just 3% from prior year despite a 6% increase in staff numbers and additional waste generated from a one-off site cleanup ahead of our building refurbishment, reflecting our focussed efforts to reduce waste to landfill.*

[3] Te Reo training was not completed for all enrolled staff due to illness

Customer satisfaction

As we are a community owned entity we have included measures that focus on how we connect and provide for stakeholders and how we monitor our overall impact on the environment.

	Measure	2026	2025
Customer satisfaction and engagement	We will have more engaged and satisfied customers	64%	59%

People	**Measure**	**Target**	**2026**
Safety leadership	Any critical control failures are remedied quickly.	Any critical control non-conformance remedied within 7 days. New critical control process implemented.	Complete
Safety outcomes	No injuries or permanent harm incidents.*	Nil	Nil

* The published measure did not fully reflect our intended focus of "zero serious harm incidents" as defined under the Health and Safety in Employment Act 1992. Under the current Health and Safety at Work Act 2015 equivalent events are notifiable injuries or illnesses. There were no such incidents during the year.

Independent Auditor's Report

To the Beneficiaries of Waipa Networks Trust

Report on the audit of the Trust and Group financial statements

Opinion

We have audited the accompanying Trust and Group financial statements which comprise:

- the Trust and Group statement of financial position as at 31 March 2026;
- the Trust and Group statements of comprehensive income, movements in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information..

In our opinion, the accompanying Trust and group financial statements of Waipa Networks Trust (the **Trust**) and its subsidiaries (the **Group**) on pages 3 to 25 present fairly in all material respects the Trust and Group's financial position as at 31 March 2026 and their financial performance and cash flows for the year ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Waipa Networks Trust in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the Trust and Group financial statements* section of our report.

Our firm has provided other services to the Trust and Group in relation to engagements in the areas of Waipa Networks Limited Information Disclosure requirements. Subject to certain restrictions, partners and employees of our firm may also deal with the Trust and Group on normal terms within the ordinary course of trading activities of the business of the Trust and Group. These matters have not impaired our independence as auditor of the Trust and Group. The firm has no other relationship with, or interest in, the Trust and Group.

Other information

The Trustees, on behalf of the Trust and Group, are responsible for the other information. The other information comprises information included in the Financial Report but does not include the Trust and Group financial statements and our auditor's report thereon.

Our opinion on the Trust and Group financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Trust and Group financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Trust and Group financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Use of this independent auditor's report

This independent auditor's report is made solely to the Beneficiaries. Our audit work has been undertaken so that we might state to the Beneficiaries those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Beneficiaries for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Trustees for the Trust and Group financial statements

The Trustees, on behalf of the Trust and Group, are responsible for:

- the preparation and fair presentation of the Trust and Group financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a Trust and Group set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Trust and Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Trust and Group financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Trust and Group financial statements.

A further description of our responsibilities for the audit of the Trust and Group financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-7-1/

This description forms part of our independent auditor's report.

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Tauranga

4 August 2026